

REMARKS

As a preliminary matter, applicants again request acknowledgement of the certified copy of the priority document filed with this application. A copy of the claim for priority is enclosed.

Claims 1-3 stand rejected under § 103 on the basis of Kawato et al. JP '925 and Fontana, Jr. et al. '410. Claim 1 now recites that the insulators contact the lower surface of the upper electrode layer. The amendment to claim 1 is supported by the structure shown in Fig. 4 of the present application. Applicants traverse this rejection because the cited references do not disclose or suggest, alone or in combination, insulators that contact a lower surface of an upper electrode layer, as in amended claim 1.

The examiner argues that insulators 27 of Kawato et al. sandwich the upper portion of the magnetoresistive film in the lateral direction so as to establish a narrow path for electric current between the lower portion of the magnetoresistive film and the upper electrode layer 29 as shown in Fig. 3. See page 3, lines 5-8 of the outstanding office action. Kawato et al. disclose permanent magnet films 28 interposed between an upper electrode layer 29 and insulation films 27, as shown in Fig. 3. However, the insulation films 27 do not contact the lower surface of the upper electrode layer 29. Kawato et al. fail to disclose or even suggest this feature of the insulators defined in amended claim 1. Accordingly, withdrawal of the rejection of independent claim 1, and dependent claims 2, 3, and 10, is respectfully requested.

For the foregoing reasons, applicants believe that this case is in condition for allowance, which is respectfully requested. The examiner should call applicants' attorney if an interview would expedite prosecution.

Respectfully submitted,

GREER, BURNS & CRAIN, LTD.

By



Patrick G. Burns
Registration No. 29,367

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300 South Wacker Drive
Suite 2500
Chicago, Illinois 60606
Telephone: 312.360.0080
Facsimile: 312.360.9315
Customer No. 24978